

**INSTITUTIONAL STATE PLAN AMENDMENT  
ASSURANCE AND FINDING CERTIFICATION STATEMENT**

STATE: Missouri

TN 96-37

REIMBURSEMENT TYPE:

Nursing facility  
ICF/MR

✓  
      

PROPOSED EFFECTIVE DATE: 11/17/96

A. State Assurances and Findings. The State assures that it has made the following findings:

1. 447.253 (b) (1) (i) - The State pays for long-term care facility services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. ✓
2. With respect to nursing facility services -
  - a. 447.253 (b) (1) (iii) (A) - Except for preadmission screening for individuals with mental illness and mental retardation under 42 CFR 483.20(f), the methods and standards used to determine payment rates take into account the costs of complying with the requirements of 42 CFR part 483 subpart B. ✓
  - b. 447.253 (b) (1) (iii) (B) - The methods and standards used to determine payment rates provide for an appropriate reduction to take into account the lower costs (if any) of the facility for nursing care under a waiver of the requirement in 42 CFR 483.30 (c) to provide licensed nurses on a 24-hour basis. ✓
  - c. 447.253 (b) (1) (iii) (C) - The State has established procedures under which the data and methodology used to establish payment rates are made available to the public. ✓
3. 447.253 (b) (2) - The proposed payment rate will not exceed the upper payment limits as specified in 42 CFR 447.272:
  - a. 447.272 (a) - Aggregate payments made to each group of health care facilities (hospitals, nursing facilities, and ICFs/MR) will not exceed the amount that can reasonably be estimated would have been paid for those services under Medicare payment principles. ✓

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b. 447.272 (b) - Aggregate payments to each group of State-operated facilities (that is, hospitals, nursing facilities, and ICFs/MR) - - when considered separately - - will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles. na

If there are no State-operated facilities, please indicate "not applicable:" \_\_\_\_\_

B. State Assurances. The State makes the following additional assurances:

1. For nursing facilities and ICFs/MR - -

a. 447.253 (d) (1) - when there has been a sale or transfer of the assets of a NF or ICF/MR on or after July 18, 1984 but before October 1, 1985, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate, solely as a result of a change in ownership, more that payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital indebtedness, return on equity (if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation. ✓

b. 447.253 (d) (2) - When there has been a sale or transfer of the assets of a NF or ICF/MR on or after October 1, 1985, the State's methods and standards provide that the valuation of capital assets for purposes of determining payment rates will not increase (as measured from the date of acquisition by the seller to the date of the change of ownership) solely as a result of a change of ownership, by more than the lesser of:

(i) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Dodge construction index applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year; or

(ii) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Consumer Price Index for All Urban Consumers (CPI-U) (United States city average) applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year. ✓

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2. 447.253 (e) - The State provides for an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review, with respect to such issues as the State determines appropriate, of payment rates. ✓
3. 447.253 (f) - The State requires the filing of uniform cost reports by each participating provider. ✓
4. 447.253 (g) - The State provides for periodic audits of the financial and statistical records of participating providers. ✓
5. 447.253 (h) - The State has complied with the public notice requirements of 42 CFR 447.205. ✓

Notice published on:

10/31/96 and  
11/6/96

If no date is shown, please explain:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. 447.253 (i) - The State pays for long-term care services using rates determined in accordance with the methods and standards specified in the approved State plan. ✓

C. Related Information

1. 447.255 (a) - NOTE: If this plan amendment affects more than one type of provider (e.g., hospital, NF, and ICF/MR; or DSH payments) provide the following rate information for each provider type, or the DSH payments. You may attach supplemental pages as necessary.

Provider Type: NF (Pediatric NF)

Estimated average proposed payment rate as a result of this amendment:

\$230.18

Average payment rate in effect for the immediately preceding rate period:

\$217.73

Amount of change: \$12.45 Percent of change: 108%

2. 447.255 (b) - Provide an estimate of the short-term and, to the extent feasible, long-term effect the change in the estimated average rate will have on:

(a) The availability of services on a statewide and geographic area basis:

none

(b) The type of care furnished:

none

(c) The extent of provider participation:

none

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**INSTITUTIONAL STATE PLAN AMENDMENT  
ASSURANCE AND FINDING CERTIFICATION STATEMENT**

STATE: Missouri

TN 96-36

REIMBURSEMENT TYPE:

Nursing facility  
ICF/MR

✓  
    

PROPOSED EFFECTIVE DATE: 11/16/96

- A. State Assurances and Findings. The State assures that it has made the following findings:
1. 447.253 (b) (1) (i) - The State pays for long-term care facility services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. ✓
  2. With respect to nursing facility services —
    - a. 447.253 (b) (1) (iii) (A) - Except for preadmission screening for individuals with mental illness and mental retardation under 42 CFR 483.20(f), the methods and standards used to determine payment rates take into account the costs of complying with the requirements of 42 CFR part 483 subpart B. ✓
    - b. 447.253 (b) (1) (iii) (B) - The methods and standards used to determine payment rates provide for an appropriate reduction to take into account the lower costs (if any) of the facility for nursing care under a waiver of the requirement in 42 CFR 483.30 (c) to provide licensed nurses on a 24-hour basis. ✓
    - c. 447.253 (b) (1) (iii) (C) - The State has established procedures under which the data and methodology used to establish payment rates are made available to the public. ✓
  3. 447.253 (b) (2) - The proposed payment rate will not exceed the upper payment limits as specified in 42 CFR 447.272:
    - a. 447.272 (a) - Aggregate payments made to each group of health care facilities (hospitals, nursing facilities, and ICFs/MR) will not exceed the amount that can reasonably be estimated would have been paid for those services under Medicare payment principles. ✓

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b. 447.272 (b) - Aggregate payments to each group of State-operated facilities (that is, hospitals, nursing facilities, and ICFs/MR) - - when considered separately - - will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles. na

If there are no State-operated facilities, please indicate "not applicable:" \_\_\_\_\_

B. State Assurances. The State makes the following additional assurances:

1. For nursing facilities and ICFs/MR - -

a. 447.253 (d) (1) - when there has been a sale or transfer of the assets of a NF or ICF/MR on or after July 18, 1984 but before October 1, 1985, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate, solely as a result of a change in ownership, more that payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital indebtedness, return on equity (if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation. ✓

b. 447.253 (d) (2) - When there has been a sale or transfer of the assets of a NF or ICF/MR on or after October 1, 1985, the State's methods and standards provide that the valuation of capital assets for purposes of determining payment rates will not increase (as measured from the date of acquisition by the seller to the date of the change of ownership) solely as a result of a change of ownership, by more than the lesser of:

(i) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Dodge construction index applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year; or

(ii) 1/2 of the percentage increase (as measured from the date of acquisition by the seller to the date of the change of ownership) in the Consumer Price Index for All Urban Consumers (CPI-U) (United States city average) applied in the aggregate with respect to those facilities that have undergone a change of ownership during the fiscal year. ✓

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2. 447.253 (e) - The State provides for an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review, with respect to such issues as the State determines appropriate, of payment rates. ✓
3. 447.253 (f) - The State requires the filing of uniform cost reports by each participating provider. ✓
4. 447.253 (g) - The State provides for periodic audits of the financial and statistical records of participating providers. ✓
5. 447.253 (h) - The State has complied with the public notice requirements of 42 CFR 447.205. ✓

Notice published on:

11/15/96

If no date is shown, please explain:

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6. 447.253 (i) - The State pays for long-term care services using rates determined in accordance with the methods and standards specified in the approved State plan. ✓

C. Related Information

1. 447.255 (a) - NOTE: If this plan amendment affects more than one type of provider (e.g., hospital, NF, and ICF/MR; or DSH payments) provide the following rate information for each provider type, or the DSH payments. You may attach supplemental pages as necessary.

Provider Type: NF (Pediatric NF)

Estimated average proposed payment rate as a result of this amendment:

\$229.73

Average payment rate in effect for the immediately preceding rate period:

\$225.43

Amount of change: \$5.30 Percent of change: 2.35%

2. 447.255 (b) - Provide an estimate of the short-term and, to the extent feasible, long-term effect the change in the estimated average rate will have on:

(a) The availability of services on a statewide and geographic area basis:

none

(b) The type of care furnished:

none

(c) The extent of provider participation:

none

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## APPENDIX

### Findings and Assurances

In conformity with the Title 42 CFR Section 447.253(a) and (b), the Department of Social Services/Division of Medical Services (DSS/DMS) makes the following findings and assurances:

- o ICF-MR rates of payment have been found to be reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards.
- o The estimated weighted average proposed payment rate is reasonably expected to pay no more in the aggregate for ICF-MR, Long-Term Care services to state-operated facilities than the amount that the agency reasonably estimates would be paid for the services under the Medicare principles of reimbursement.
- o The estimated weighted average proposed payment rate is reasonably expected to pay no more in the aggregate for ICF-MR, Long-Term Care services to non-state-operated facilities than the amount that the agency reasonably estimates would be paid for the services under the Medicare principles of reimbursement.
- o DSS/DMS provides long-term care facilities with an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review of payment rates with respect to such issues as DSS/DMS determines appropriate.
- o DSS/DMS requires the filing of uniform cost reports by each participating provider.
- o DSS/DMS provides for periodic audits of the financial and statistical records of participating providers.
- o DSS/DMS published prior notice of said change in the newspaper in accordance with 42 CFR 447.205(d)(2)(ii).
- o DSS/DMS pays for long-term care services using rates determined in accordance with methods and standards specified in the approved State Plan.

State Plan TN# 93-18  
Supersedes TN# \_\_\_\_\_

Effective Date June 7, 1993  
Approval Date NOV 29 1993

- o The payment methodology used by the State for payments to ICF-MR facilities for medical assistance beginning January 1, 1990 can reasonably be expected not to increase payments solely as a result of a change of ownership in excess of the increase which would result from application of 42 U.S.C. 1861 (v)(1)(0) of the Social Security Act for all changes of ownership which occur on or after July 18, 1984, except for those changes made pursuant to an enforceable agreement executed prior to that date.
- o Section (2)(B)3 ICF-MR of the State's Prospective Reimbursement Plan for Non-State Operated Facilities for ICF-MR services provides that a change in ownership/management of a facility is not subject to review for rate reconsideration. Under the State's current methodology, ICF/MR payment rates do not increase as a result of a change in ownership.
- o The state assures that valuation of capital assets for purposes of determining payment rates for long-term care facilities will not be increased, solely as a result of a change of ownership, by more than as may be allowed under section 1902 (a)(13)(C) of the Act.
- o Except for preadmission screening for individuals with mental illness and mental retardation under Section 483.20(f), the methods and standards used to determine payment rates takes into account the costs of complying with the requirements of Part 483 Subpart B.
- o The methods and standards used to determine payment rates provide for an appropriate reduction to take into account the lower costs (if any) of the facility for nursing care under a waiver of the requirement in Section 483.30(c) to provide licensed nurses on a 24-hour basis.
- o The State establishes procedures under which the data and methodology used in establishing payment rates are made available to the public.

Related Information

In conformity with Title 42 CFR Section 447.255, DSS/DMS is submitting with the findings and assurances the following related information:

- o DSS/DMS has determined a projected weighted average per diem rate for ICF-MR, long-term care providers after the effective date of the proposed plan amendment.

State Plan TN# 93-18  
Supersedes TN# \_\_\_\_\_

Effective Date June 7, 1993  
Approval Date NOV 29 1993